VZCZCXRO7126 PP RUEHNEH DE RUEHAH #0565/01 1241436 ZNR UUUUU ZZH P 041436Z MAY 09 ZDF FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC 2763 INFO RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHDC PRIORITY RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHAK/AMEMBASSY ANKARA 5156 RUEHBJ/AMEMBASSY BEIJING 2900 RUEHKO/AMEMBASSY TOKYO 2765 RUEHIT/AMCONSUL ISTANBUL 3400 RUCNDT/USMISSION USUN NEW YORK 0982 RHMFIUU/CDR USCENTCOM MACDILL AFB FL RUEHVEN/USMISSION USOSCE 3521 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC

UNCLAS SECTION 01 OF 02 ASHGABAT 000565

SENSITIVE

SIPDIS

STATE FOR SCA/CEN; EEB PLEASE PASS TO USTDA DAN STEIN ENERGY FOR EKIMOFF/THOMPSON COMMERCE FOR HUEPER

E.O. 12958: N/A

TAGS: <u>EPET PGOV EINV TX</u>

SUBJECT: TURKMENISTAN HOLDS PIPELINE SECURITY CONFERENCE

REF: ASHGABAT 462

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- 11. (U) Sensitive but unclassified. Not for public Internet.
- 12. (SBU) SUMMARY: On April 23-24, the Turkmen Government held a conference on "Reliable and Stable Transit of Energy and Its Role in Ensuring Sustainable Development and International Development." The conference was attended by and was designed to provide a forum for representatives of international organizations, governments, research institutes, and private businesses to discuss a wide spectrum of issues that may contribute to ensuring a more stable and secure transit of energy to the global market. END SUMMARY.
- 13. (SBU) President Berdimuhamedov opened the conference with a 15-minute speech. During the speech, Berdimuhamedov criticized the current system of international energy supplies, characterizing it as "one of the most vulnerable parts of the global economy" and noting that this vulnerability is caused by political instability, absence of internationally recognized regulations, inadequate infrastructure, and lopsided pipelines geography. He spoke against the politicization of energy supply issues and using them as a tool for achieving political and corporate goals, warning that such methods will prove ineffective in the long-run. President Berdimuhamedov proposed that the UN consider establishing an expert group that would work on developing international legal norms to regulate relations in the energy sector. He also emphasized that the UN can play a crucial role in ensuring security, stability, and reliability of energy transit. The President also emphasized that diversification of energy routes is one of the key elements of ensuring energy security.
- 14. (SBU) Among other high-ranking speakers representing the international community were UN Under Secretary-General for Economic and Social Affairs, Sha Zukang, OSCE Secretary General, Mark Perren de Brishambo, Energy Charter Secretary General, Andre Mernier,

Secretary General of the Economic Cooperation Organization (ECO), Khurshid Anwar, Secretary General of the Shanghai Cooperation Organization (SCO), Bolat Nurgaliyev, CIS Executive Secretary, Anatoly Dron, Deputy Prime Minister of Russia, Igor Sechin, ministers of energy of Central Asian, Middle Eastern, and Eastern European countries. The conference organizers also demonstrated a recorded video address by President of the European Commission, Jose Manuel Barroso. Among Turkmen high-ranking speakers were Deputy Chairman of the Cabinet of Ministers, Tachberdi Tagyev, Director of the State Agency for Use and Management of Hydrocarbon Resources, Yagshygeldi Kakayev, and Chairman of Turkmengaz State Concern, Baymyrat Hojamuhammedov. All the speakers were supportive of the idea that the international community should make concerted efforts to ensure a more reliable and stable transit of energy, although the approaches to achieving this goal proposed by the speakers differed depending on the interests of their respective countries or organizations.

- 15. (SBU) Although there were three question and answer sessions in the agenda, the organizers cancelled all of them, because the conference was running behind schedule. The conference concluded with the issuance of a declaration that emphasized the advisability of developing a multilateral document that would regulate issues arising from the relations in the energy sector and including a request to consider setting up an experts group that would work out recommendations on developing such a document.
- 16. (SBU) COMMENT: It was much anticipated that the Turkmen Government would address the continuing gas row with Gazprom (reftel) during the conference, but this issue was not mentioned directly by any of the speakers. Still it should be noted that Russian Deputy Prime Minister, Igor Sechin, during his speech, passed to the conference organizers a draft model agreement on

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mitigating consequences of emergency situations along transit routes. Although the draft agreement was not mentioned in the conference statement, it might be connected with the current gas stand-off between Turkmenistan and Gazprom.

17. (SBU) COMMENT CONTINUED: President Berdimuhammedov, during his speech at the conference, noted that diversification of hydrocarbon supplies to new regions is not only about commercial profits, but also is important for balancing the interests of all energy market players. This statement might mean that Turkmenistan is open to cooperation with Europe in the energy sector, especially taking into account that the day before the conference, the European Parliament approved the long-pending Interim Trade Agreement with Turkmenistan, and the EU Ambassador residing in Almaty, Kazakhstan, presented his credentials to President Berdimuhamedov. This is notable because, according to Turkmen protocol, ambassadors residing outside of Turkmenistan present their credentials to the Speaker of Parliament and not the President. END COMMENT.

MILES